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**The Suez Crisis:
A Brief Comint History (U)**

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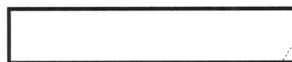
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UNITED STATES CRYPTOLOGIC HISTORY

*Special Series
Crisis Collection
Volume 2*

The Suez Crisis: A Brief Comint History (U)



(b) (3) - P.L. 86-36

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Foreword

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~~(TSC-NF)~~ *The Suez Crisis* is another addition to the Special Series Crisis Collection published by the NSA History and Publications Division. The Suez crisis of 1956 is an interesting study of U.S. intelligence, especially its Sigint aspect, during a "brushfire" situation. The crisis presented United States policymakers with a unique intelligence dilemma. Two U.S. allies, Britain and France, opposed American policy objectives. Working with Israel, they conspired to take the Suez Canal and preserve their influence in the area. This study, by [redacted] provides remarkable insights into Anglo-American relations, U.S. relations with Egypt, France, and Israel, and American concerns over the Soviet Union and its reaction to the crisis. [redacted]

~~(TSC-NF)~~ [redacted] traces the crisis from its historical roots with the construction of the Suez Canal in 1869 through the rise of Nasser to negotiations over arms and aid in constructing the Aswan Dam, to Nasser's nationalization of the Suez Canal Company, to British-French-Israeli plots, to the actual invasion. She clearly shows that "the attack occurred without our knowledge and came as a complete surprise to us" - despite President Eisenhower's public statements to the contrary. [redacted]

[redacted]

Henry F. Schorreck
NSA Historian

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The Suez Crisis: A Brief Comint History

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(U) The Suez crisis of 1956, which erupted only days before the Soviet invasion of Hungary on 4 November, was the first major test of the National Security Agency (NSA) during a short-term, "brushfire" crisis. The war for Suez also presented the United States with a unique political and intelligence dilemma: two close U.S. allies, Britain and France, opposed American policy objectives. The Suez crisis raised many provocative questions about when and how much the United States knew about British, French, and Israeli plans for the invasion of Egypt and how U.S. officials reacted to these plans. In addition, the Suez war provided a fascinating case study of the role of Communications Intelligence (Comint) in the U.S. decision-making process. Finally, the battle for Suez served as a model for examining the effect of political dissension and conflict on the intimate Anglo-American intelligence relationship. How this strange and troubling crisis developed, what role Comint played in U.S. planning and policy, and how the Suez conflict affected Anglo-American relations are the issues this paper addresses.

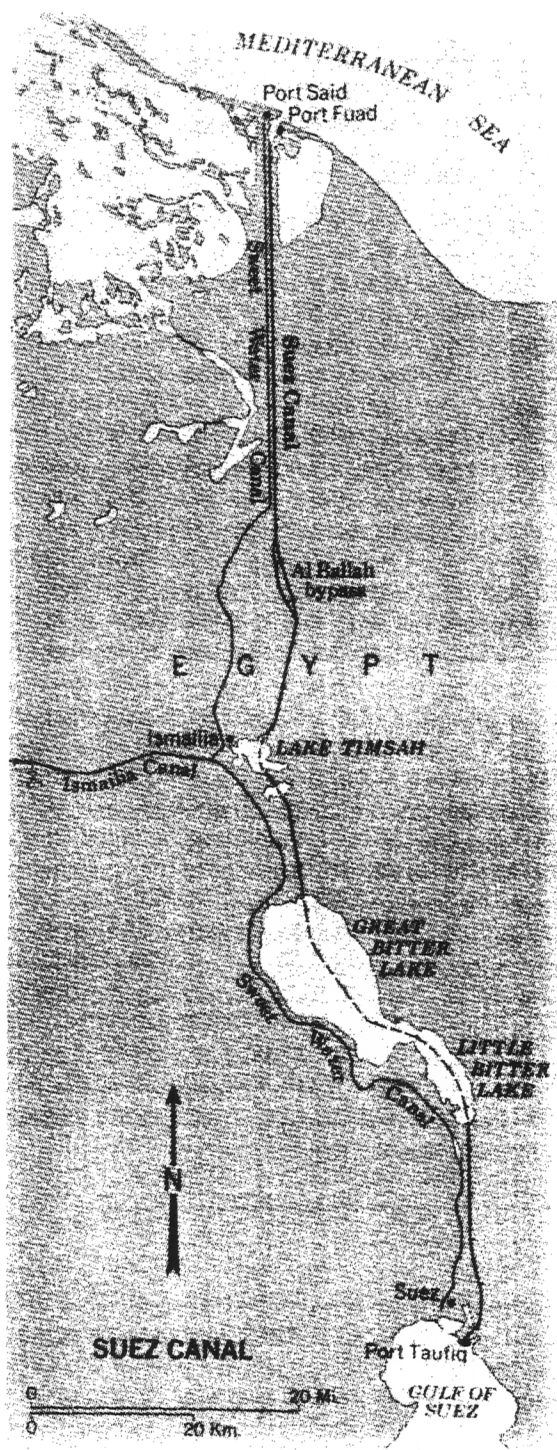
(U) The Suez crisis created a painful predicament for U.S. policymakers. Without American support or knowledge, two staunch U.S. allies, in collusion with Israel, plotted to go to war for a cause the Eisenhower administration believed was rash, unjustified, and potentially very dangerous. Ultimately, France, Britain, and Israel would become the overt aggressors against Egypt. As a result, the United States was in the awkward position of siding with Nasser against its allies. The Soviet factor further complicated the situation, especially for the United States. The U.S. allies implicitly relied upon America to counter any belligerency by the Russian "Bear." The U.S. administration was never sure how far the Soviets would go to assist Nasser or resist Western aggression in the region. Eisenhower described the Soviets as both "furious and scared" by the concurrent crises in Eastern Europe and the Middle East. This, he averred, made for "the most dangerous possible state of mind."² For this reason, Soviet movements and actions were of primary interest to the U.S. intelligence community.

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Background (U)

(U) The roots of the 1956 Suez crisis can be traced at least to the construction of the Suez Canal, which opened on 17 November 1869, and to the original Suez Canal Company ownership agreements. The Viceroy of Egypt (then part of the Ottoman Empire) granted the Suez Canal Company, founded by French engineer Ferdinand de Lesseps, a concession to operate the canal. In exchange, the Canal Company agreed to pay certain taxes, rents, and percentages of gross profits to Egypt. Furthermore, Egypt retained an agreement for the canal to revert to Egyptian control after 99 years.

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(U) Although British ships were the largest single users of the canal, Britain did not obtain its interest in the Suez Canal Company until 25 November 1875 when, in an attempt to avoid bankruptcy, Egypt turned over 177,642 shares in the company to the British Government.³ An 1888 agreement between major canal users and the Turkish government guaranteed free passage for ships of all nations, made the company responsible for operating the canal impartially in war and peace, and placed responsibility for the canal's protection with Egypt.⁴

(U) In 1936 the British negotiated a new treaty with Egypt. In exchange for a British naval base at Alexandria, Egypt would regain representation on the Suez Canal Company's board of directors and receive annual rental payment for use of company facilities. World War II interrupted the normal course of business between Britain and Egypt, and it was not until after the war, in 1949, that Egypt was effectively reinstated as a board member and also began to receive seven percent of the company's gross profits. However, beginning in 1936, Egypt became a real factor in the Suez Canal Company for the first time since 1875.⁵

(U) Before the First World War, much of the Middle East was under the control or influence of the Ottoman Empire. With the defeat of the Ottoman Empire and Germany, British and French influence greatly expanded during the postwar period. After World War II the region again underwent radical changes brought about in part by a weakening of the major colonial powers, especially Great Britain and France, the birth of the nation of Israel, and an explosion of Arab nationalism.

(U) France, Britain, and the United States drew up a Tripartite Declaration in 1950 in recognition of the growing threat to Western power and influence in the region, the importance of oil shipments to the West, and the potential impact of the Cold War on the Middle East. Under the terms of this accord, the three nations agreed to act in concert to thwart any seizure of Middle Eastern territory by an outside force. The allies also promised to ensure a balance between arms shipped to Arab countries and to Israel. Further, the three agreed the number of weapons shipped to either side would be only enough to maintain internal order.

The Rise of Nasser (U)

(U) The 1952 Egyptian coup that overthrew the monarchy of King Farouk also set the stage for the nationalization of the Suez Canal and the 1956 crisis. The real power behind the coup was Gamal Abdel Nasser, who formally assumed the Egyptian presidency in October 1954. Nasser vocalized and manipulated pent-up Egyptian resentment over the occupation of the Suez Base by nearly eighty thousand British troops. After lengthy negotiations, the British agreed to withdraw their forces from the Canal Zone by June 1956.

(U) During the winter and spring preceding the nationalization, Egypt also negotiated new agreements with the Canal Company. The accords specified greater company investment in Egypt and increased employment of Egyptian pilots. In return, Egypt agreed to exempt the company from certain Egyptian taxes.⁶

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Gamal Abdel Nasser

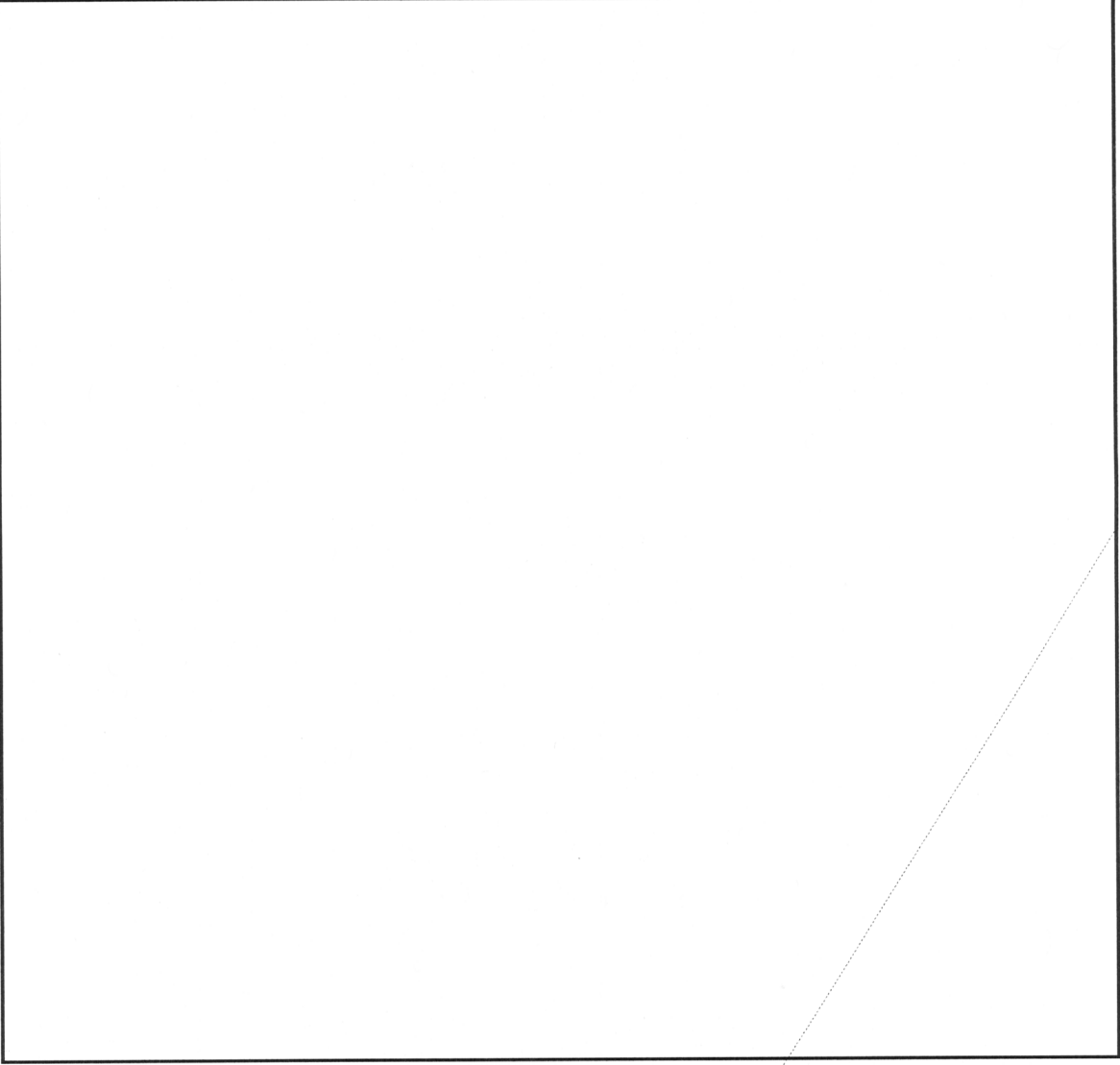
A Search for Weapons (U)

(U) While he solicited agreements with the Canal Company and the British government, Nasser also began to seek arms from the United States. In early 1955 the U.S. State Department responded to Nasser's request for \$27 million worth of weapons by demanding payment in cash – knowing full well Nasser did not have the money. The Eisenhower administration was not then a major weapons dealer in the region and did not wish to become one. Furthermore, administration officials reasoned that such an arms sale would drastically disturb the balance of power in the Middle East. Nasser also threatened to purchase weapons from the Soviets if the United States refused to sell him the arms he had requested. Nasser's warning "sounded suspiciously like blackmail" to Eisenhower, who was not about to play into Nasser's hands.'

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(U) Spurned by the Americans, Nasser, during the summer of 1955, secured an arms deal with the Soviet Union estimated to be worth between \$80 and \$200 million. An Egyptian military delegation concluded the deal in August 1955 during a meeting in Prague, Czechoslovakia, with its Soviet counterpart. The Czechoslovak role was arranged at Moscow's request in order to create the fiction that the arms were Czechoslovak and not Soviet.

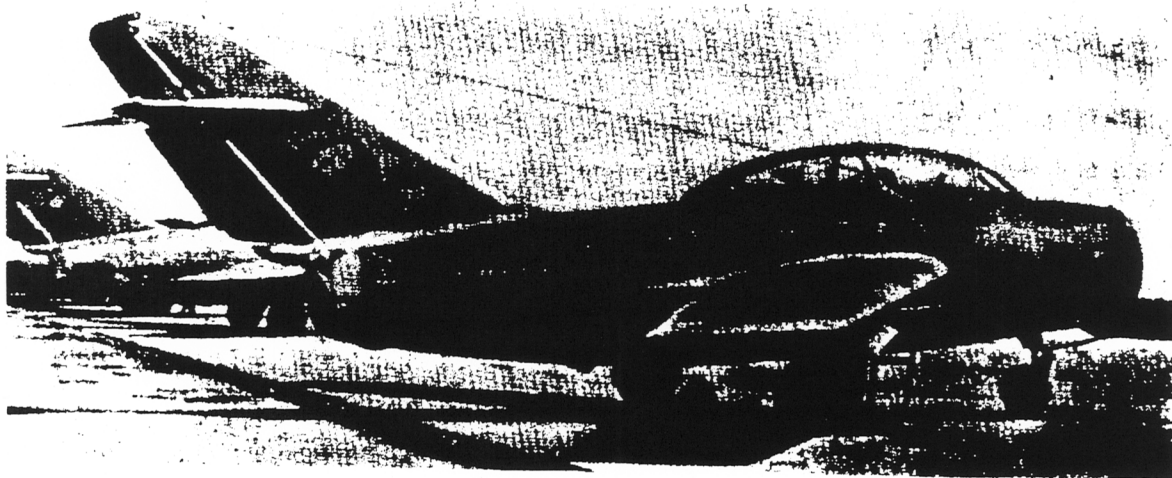


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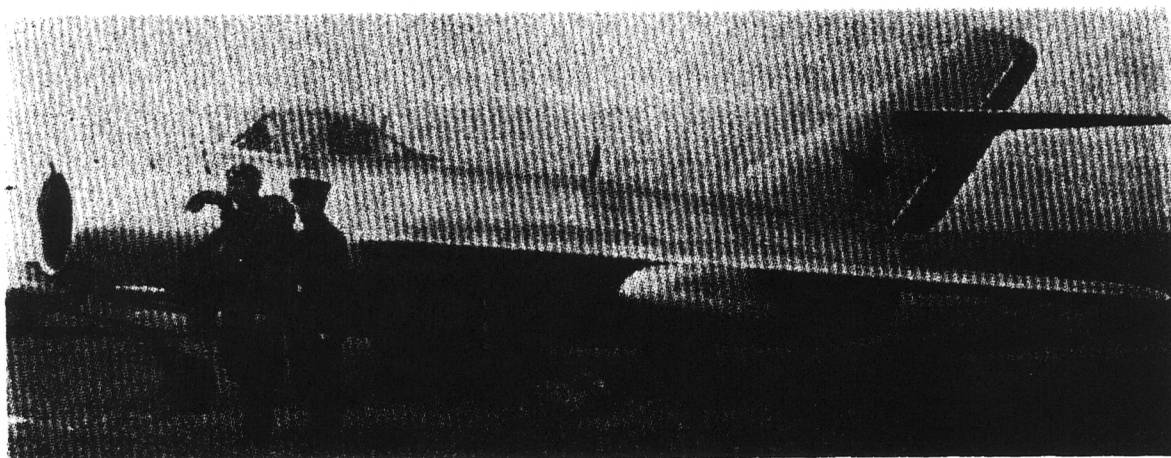
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MIG-15 Two-seat Fighter Trainer with Czechoslovak Air Force Insignia



MIG-15 Single-seat Fighter

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The Soviet Factor (U)

(U) It was, however, the Egyptian-Soviet arms deal that complicated the negotiations for Western financing for the Aswan High Dam project.¹⁷ Initially, the Soviet arms deal intensified Western resolve to provide financing for the High Dam project and thus counter Soviet influence. In November 1955 the United States, Britain, and the World Bank jointly offered \$70 million for the first stage of the dam.

~~(TSC-NF)~~ The Eisenhower Administration gradually backed away from the financing plan, however, as it became convinced that Nasser was playing the West against the East. He probably was. In April 1956 Nasser publicly stated he was considering a Soviet offer to build the dam.¹⁸ United States officials were annoyed and apprehensive. They reasoned that Egypt would have difficulty meeting its financial obligations to the dam project with the added burden of an expensive new arms debt. In addition, the administration feared that, given Nasser's overtures to the Soviets, it would be unable to convince Congress to go along with the long-term financing such an arrangement necessitated. Whatever the ultimate reasons for the deal's collapse, events moved quickly upon Egyptian Ambassador Dr. Ahmed Hussein's return to Washington on 17 July. Journalists who met Hussein at the airport pressed him for Egypt's position vis-à-vis the High Dam project.

(U) On the morning of 19 July, Ambassador Hussein went to the State Department for a meeting with Secretary of State John Foster Dulles. According to published accounts of that meeting, Dulles began the discussion with an explanation, in "tones rather sad and firm," of the many difficulties he was encountering in securing the loan. Ambassador Hussein reportedly became agitated as Dulles droned on. Finally, the ambassador blurted out, "Don't please say you are going to withdraw the offer, because we have the Russian offer to finance the Dam right here in my pocket!" According to these accounts, Dulles immediately retorted, "Well, as you have the money already, you don't need any from us! My offer is withdrawn!"²⁰

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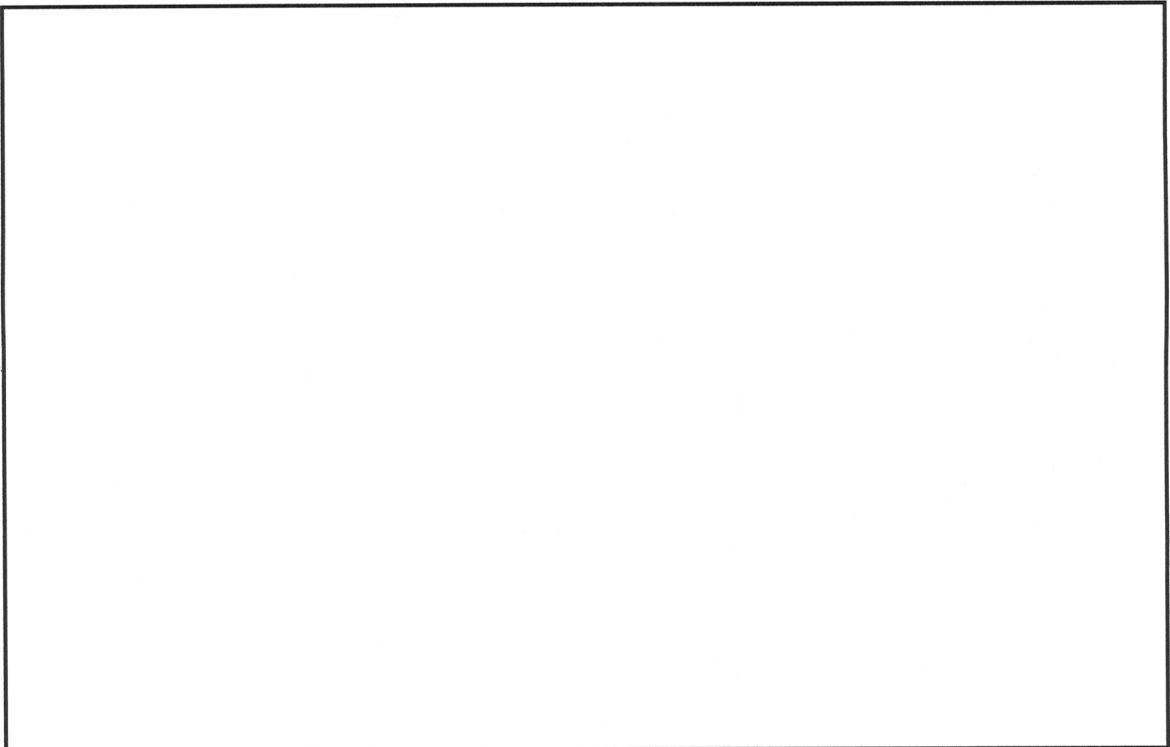


Secretary of State John Foster Dulles

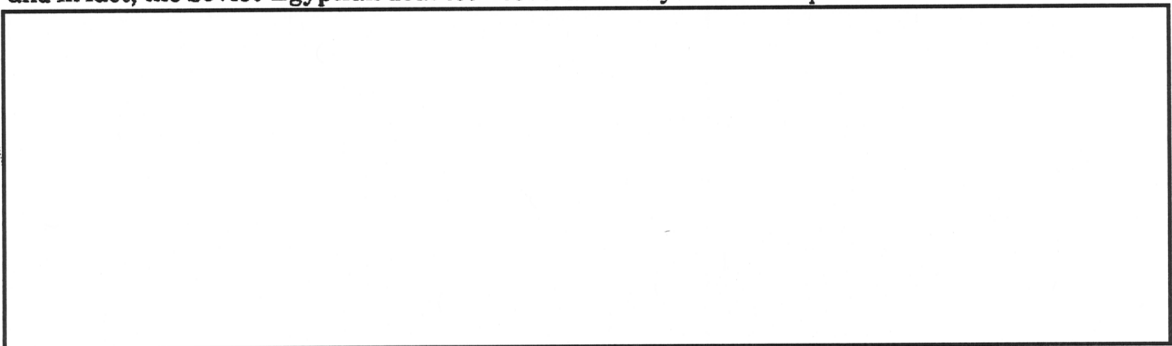
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(U) The real reasons behind the Eisenhower administration's rescission of the High Dam deal remain unclear. It does not appear, with the benefit of hindsight, that pulling out of the agreement was a wise decision for the United States. In effect, the United States and Britain left Egypt largely in the hands of the Soviets. Both the Egyptian military and the Egyptian economy were under Moscow's sway. As Dulles suggested, at least part of the U.S. administration's reluctance to follow through on the agreement may be explicable as fear of failure. That is, with any vast undertaking there is an enormous danger of the deal going sour. The country responsible for financing a bad risk would be held liable for its failure and could become enshrined in Egypt's collective memory as the cause of great misery, misfortune, and humiliation. Another factor must have been the impending U.S. elections. The High Dam financing was not a very popular issue with the American public. Eisenhower, in the throes of an election campaign, was not eager to press for massive funding for a country flirting with Moscow during the height of the Cold War. Moreover, U.S. officials did not believe the Soviets would come through with the funds if the Western nations revoked their offer. This assumption was not wholly unjustified. Moscow immediately started to hedge when Dulles rescinded the U.S. offer, and in fact, the Soviet-Egyptian deal took several more years to complete.



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Soviet Surprise and Vacillation (U)

[redacted]
[redacted] On 21 July Soviet Foreign Minister Dmitri Shepilov told newsmen that his government was *not* considering aid to Egypt for construction of the dam. [redacted]
[redacted]

(U) Soviet Ambassador to Cairo, Yevgeni Kiselev, contradicted Shepilov's statement with an announcement on 23 July that the Soviet government *was* willing to finance the High Dam scheme if Egypt requested such assistance. That evening, however, Kiselev issued a formal denial of the remarks attributed to him. The following day, 24 July, Kiselev again reversed himself, telling foreign correspondents, "We are now ready to finance the dam if Egypt wishes."²⁹ It took three more years, however, before the Soviet Union and Egypt finalized a contract providing for the construction of the first stage of the High Dam.³⁰

(U) In the interim, Egypt was left in the lurch by both the East and the West. The rescission of the U.S. aid offer and the tenuity of the Soviet position, as well as the withdrawal of British troops from the Canal Zone, undoubtedly influenced Nasser's decision to nationalize the canal. If either superpower had agreed in 1956 to assist Egypt with the High Dam construction, Nasser might very well not have nationalized the canal, which, in any event, was scheduled to revert to Egyptian ownership in 1968.

Nasser's Answer to Superpower Ambivalence (U)

(TSC-NF) When Nasser nationalized the Suez Canal Company in a fiery speech on 26 July 1956, he precipitated a crisis that was to preoccupy his country and much of the world for months. Nasser's decision came as a complete shock to U.S. officials. [redacted]

[redacted]

(U) Nationalizing the canal elevated Nasser's stature among the Arabs. At the same time, Nasser's action pleased Moscow, which saw in Egypt's inevitable alienation from the West an even greater opportunity for expanding its influence in the region. The British and French, however, were outraged. They feared freedom of passage through the canal might not be guaranteed by Nasser, thus threatening Western Europe's oil supplies. Both London and Paris took steps to ensure that tolls would continue to be paid to the Canal Company and not to the Egyptian government. In response, Egypt issued an

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ultimatum demanding that all users begin paying tolls to the newly nationalized company within one week.

Israel Grows Anxious (U)

(U) Western Europe and the United States were not the only parties made apprehensive by Nasser's action. The nationalization also intensified Israeli anxieties. Israel's primary concern was that Nasser's decision presaged a renewal of hostilities with its Arab neighbors. Israel had never been permitted passage through the Suez Canal; King Farouk had instituted prohibitions against Israeli shipping on the day Israel declared its independence in May 1948.³² Moreover, Egypt subsequently blockaded the Straits of Tiran at the mouth of the Gulf of Aqaba, Israel's only other seaway to Asia and Africa.³³

(U) The evacuation of British troops from the canal in June 1956 only served to heighten Israeli fears, despite Israel's mistrust of the British, which dated back to the bitter Israeli fight for independence from the British mandate. The Suez base represented the last large Western outpost in the region, and Israel felt even more isolated in the midst of the Arab world. Moreover, Fedayeen³⁴ raids from neighboring countries were taking a continually higher toll on Israel. The formation of a joint Egyptian-Syrian command in October 1955, coupled with the new command's rapid acquisition of Soviet-bloc weapons, compounded Israeli fears.

British-French Fears - Real and Imagined (U)

(U) Britain and France each had its own motive for imbuing the Suez issue with major international overtones. The British claimed Nasser had illegally seized control of the Suez Canal Company in which the British government was the largest single shareholder. The French, as well as the British, viewed the seizure as a direct threat to their strategic interests, especially their oil-supply routes.

(U) France had a special reason for wanting to see Nasser humiliated. In addition to strategic considerations, many French leaders placed blame for France's troubles in Algeria squarely with Nasser. The chimerical theory in French circles was that if Egyptian moral and material support to the Algerian rebels could be stopped, the rebellion in Algeria would magically disappear. This same mentality helped justify major new French arms sales to Israel.

(U) When he nationalized the canal, Nasser promised to pay for any property seized if the Suez Canal Company's assets were turned over to Egypt. Naturally, the company's British- and French-dominated Board of Directors refused to surrender assets that extended far beyond the Suez Canal itself. On 29 July Nasser seized the Canal Company's offices in Egypt, imposed martial law in the Canal Zone, and forbade all Canal Company employees to leave their jobs.

(U) The British and the French immediately began agitating for active measures to ensure the uninterrupted operation of the canal. They asserted that the Egyptians lacked the technical expertise necessary to keep the canal functioning smoothly. President Eisenhower soon suspected that Britain and France were forwarding this argument only as a pretext for military intervention on their part. The President warned British Prime Minister Anthony Eden, a few days after the nationalization, that his claim of Egyptian inability to operate the canal would "never be considered . . . as a legitimate cause for immediate occupation by force."³⁵

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British Prime Minister Anthony Eden

Eisenhower as Peacemaker (U)

(U) On 31 July a portentous message from Prime Minister Eden arrived in Washington. The message warned the United States that Britain was determined to "break Nasser" and was already developing military plans toward this purpose. Eisenhower, who firmly believed the British decision was mistaken and based more on "emotion than on fact and logic,"³⁶ responded swiftly and unequivocally. He warned Eden that no U.S. help could be expected if Britain resorted to force. The President made it clear to the British Prime Minister that the United States was convinced of the "unwisdom even of contemplating the use of military force."³⁷

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[REDACTED]

(S-CCO) Meanwhile, Secretary Dulles flew to London on 1 August to convince the British and French to settle the Suez dispute peaceably. There, he secured an agreement with the allies for a multinational conference aimed at restoring international authority over the Suez Canal. On 12 August, Nasser formally declined the invitation to attend the conference. This refusal could hardly have come as a surprise to U.S. or British officials.

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(U) Despite Nasser's efforts, 22 of the 24 nations invited did attend the conference, which opened in London on 16 August. The conference resulted in an agreement among 18 of the participants for a U.S.-sponsored plan that included respect for the sovereignty of Egypt, just compensation to Egypt for the use of the canal, and international supervision of the canal.

(U) A peaceful resolution of the crisis seemed within reach when Nasser agreed to meet with a five-nation committee, headed by Australian Prime Minister Robert Gordon Menzies. The Menzies mission traveled to Cairo to present the "Dulles plan" to the Egyptian President. Nasser, however, quickly rejected the plan, and the crisis intensified.

(U) Even as the negotiations continued, U.S. suspicions about Anglo-French intentions increased. Before the Menzies mission reached Egyptian soil, the British had granted the French permission to station French troops on Cyprus - a highly unusual step and hardly a sign of nonbelligerency. Moreover, both the French and the British ordered their nationals to begin evacuating Egypt, Jordan, Syria, and Lebanon.⁴⁰

(TSC-NF) With the Menzies mission a failure, Secretary of State Dulles next turned his efforts to a plan for a Suez Canal Users Association (SCUA). The idea behind SCUA was to organize the using nations to ensure free passage should the canal be blocked or blockaded, or should the flow of Middle Eastern oil be disrupted. SCUA members would use their own pilots to transit the canal and would collect their own users' fees, out of which Nasser would be reimbursed for use of the canal. Although it is now widely known that Dulles originated the SCUA plan, at the time Anthony Eden was credited with devising the Users Association. This deception was part of an effort to keep the United States out of the limelight. Nonetheless, the Egyptians were suspicious that Dulles was the man behind SCUA.

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(U) On 15 September, Egyptian pilots not only took charge of operating the canal but did so with increased efficiency. With one of their major arguments for international control of the canal undermined, Britain and France now took the issue to the United Nations without first consulting their U.S. ally. Eisenhower was disturbed and deeply mistrustful of Anglo-French intentions. As he recorded in his memoirs, he wondered about Britain's and France's true purpose in going to the United Nations. Was it "a sincere desire to negotiate a satisfactory peace settlement . . . or was this merely a setting of the stage for eventual use of force in Suez?"⁴⁴

(U) Whatever the reality, negotiations at the United Nations dragged on throughout the month of October without conclusive results. The British, French, and Israelis used the time to finalize their plans for resolving the Suez problem by means of military intervention.

(TS) In September 1956 Allen Dulles, the Director of Central Intelligence (DCI), submitted to the National Security Council two Special National Intelligence Estimates (SNIE) on possible Anglo-French military action in the Suez Canal. [REDACTED]

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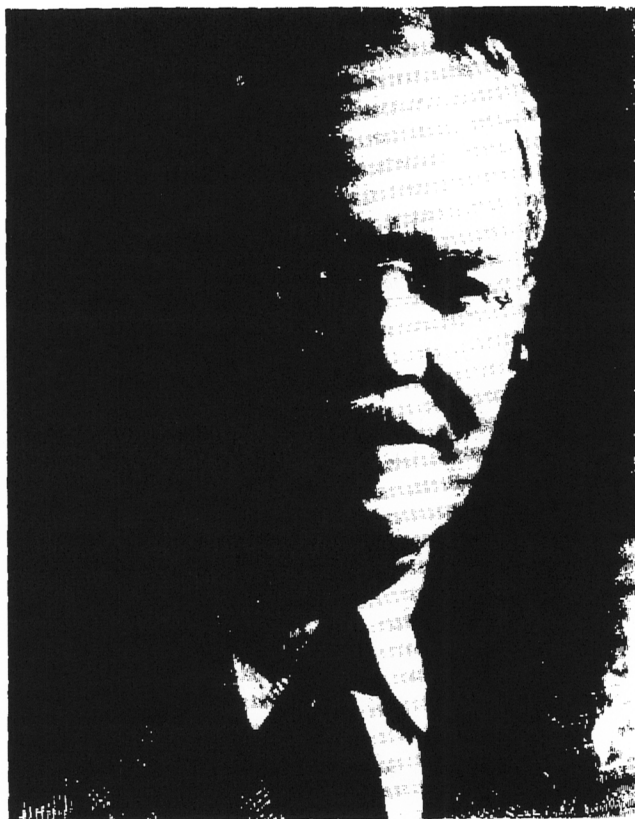
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(TS) The second SNIE, *The Likelihood of a British-French Resort to Military Action Against Egypt in the Suez Crisis*, was published on 19 September and evinced awareness in the U.S. intelligence community of the potential for imminent conflict. The SNIE concluded that "the U.K. and France will almost certainly seek to keep the way open for the use of force." Although the report concluded that the British and French were likely to resort to force only in the event of "some new and violent provocation," the SNIE clearly stated that, should this happen, the two U.S. allies would "probably use force against Egypt even without U.S. support." Clearly, then, the Eisenhower administration was cognizant of the possibility of joint British and French action behind the back of the United States. The SNIE also averred that it was possible, though unlikely, a renewal of Arab-Israeli hostilities might "furnish an occasion for U.K.-French military intervention against Nasser."⁴⁷ Taken together, the conclusions of the various intelligence estimates submitted before the Israeli attack on Egypt and the subsequent Anglo-French intervention clearly illustrate that the United States actively considered the possibility of an Anglo-French plot.

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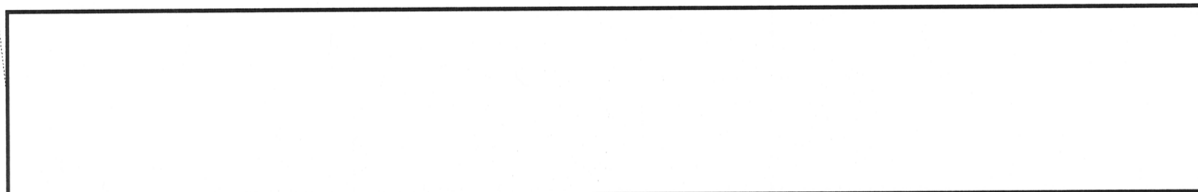
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Allen Dulles, Director of Central Intelligence

NSA Spots a Plot (U)



(U) The Anglo-French role in the conspiracy began with the news that Nasser had nationalized the canal. The British and French immediately undertook war preparations. General Hugh Stockwell, commander of the 1st Corps of the British Army, was summoned to London on 3 August to prepare secret war plans, code-named "Operation Musketeer."⁴⁹

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(U) Meanwhile, without Britain's knowledge, France took steps to include Israel in the conspiracy. On the day after the nationalization, Israel quietly requested and was granted a substantial increase in French arms shipments in violation of the 1950 Tripartite Agreement. Simultaneously, French Defense Minister Maurice Bourges-Maunoury approached Israeli Director General of the Defense Ministry Shimon Peres about a joint Franco-Israeli assault against Egypt. Peres responded positively to the suggestion. Further action on the issue, however, was suspended until 1 September when the French told Israel about Operation Musketeer.⁵⁰

(U) Not until 13 October did France inform Britain about plans for Israeli participation. On 16 October, British Prime Minister Eden, French Prime Minister Mollet, British Foreign Secretary Selwyn Lloyd, and French Foreign Minister Christian Pineau met secretly in Paris to put the finishing touches on the Anglo-French portion of the conspiracy. A crucial element in the agreement was a guarantee that Israel would not attack Jordan, with whom Britain had a defense treaty. The Frenchmen assured their British counterparts that Israel would move against Egypt and not against Jordan.⁵¹

(U) Finally, on 21 October, representatives of all three colluding nations met in Sèvres, just outside Paris, to finalize arrangements. Their plan called for Israel's first moves against Egypt to mimic raids against Fedayeen camps in Egypt. These raids would mask a full-scale invasion by British and French troops. In the event the Anglo-French forces failed to live up to their agreement to invade Egypt, Israel could then quickly withdraw its troops.⁵²

(U) Despite their deep mistrust of the British, the Israelis agreed to this plan because they were convinced that the blockading of the Straits of Tiran, the recent addition of Jordan to the Arab Joint Command,⁵³ and the massive influx of arms into Egypt indicated Arab plans for a full-scale war against Israel.⁵⁴

(U) Another important decision agreed upon in Paris was to keep the circle of those knowledgeable about the plan very small. In France and Britain, only the Prime Ministers, Foreign Ministers, Defense Ministers, and a very few of their closest confidants knew of the plot.⁵⁵ Who in the Israeli government knew about the plan is much less clear. At the very least, Prime Minister David Ben Gurion, Foreign Minister Golda Meir, Chief of Staff Moshe Dayan, and Shimon Peres knew the details of the plot.⁵⁶

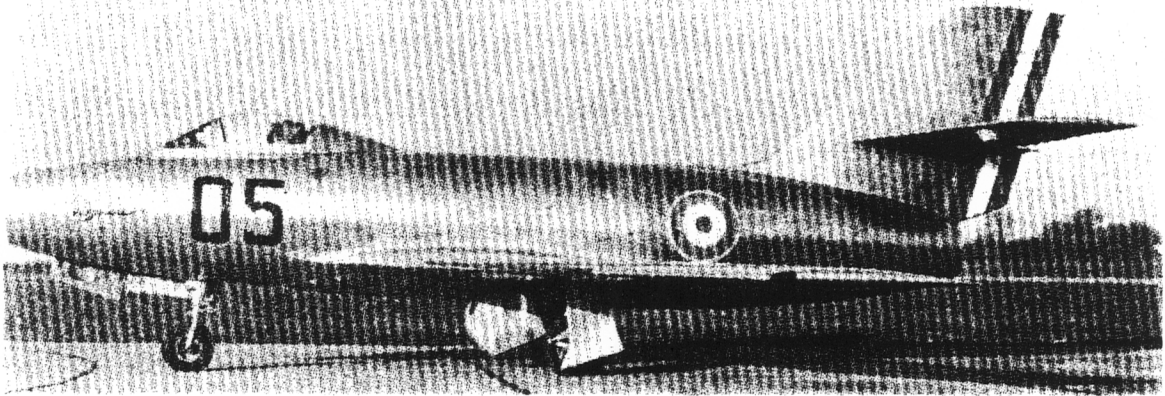
The Plot Thickens (U)

(U) On 15 October, Eisenhower was briefed on U-2 flights that revealed the presence in Israel of 60 French Mystère jets - a clear violation of an earlier agreement whereby France was allowed to sell 24, not 60, Mystères to Israel.⁵⁷ Eisenhower's worst fears were confirmed. France was maneuvering behind the back of the United States. The President recalled in his memoirs that, at this moment, he felt "we were cut off from our allies."⁵⁸

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Mystere Swept-wing Fighter

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(U) During the last two weeks of October, communications between Paris and Tel Aviv were extremely heavy. Simultaneously, there was a "virtual blackout on communication between the United States on the one side and the French and the British on the other."⁶¹ Regular reports from London and Paris to the U.S. State Department suddenly disappeared.⁶² Moreover, the British, French, and Israeli ambassadors to the United States were all rather mysteriously and conveniently out of the country.

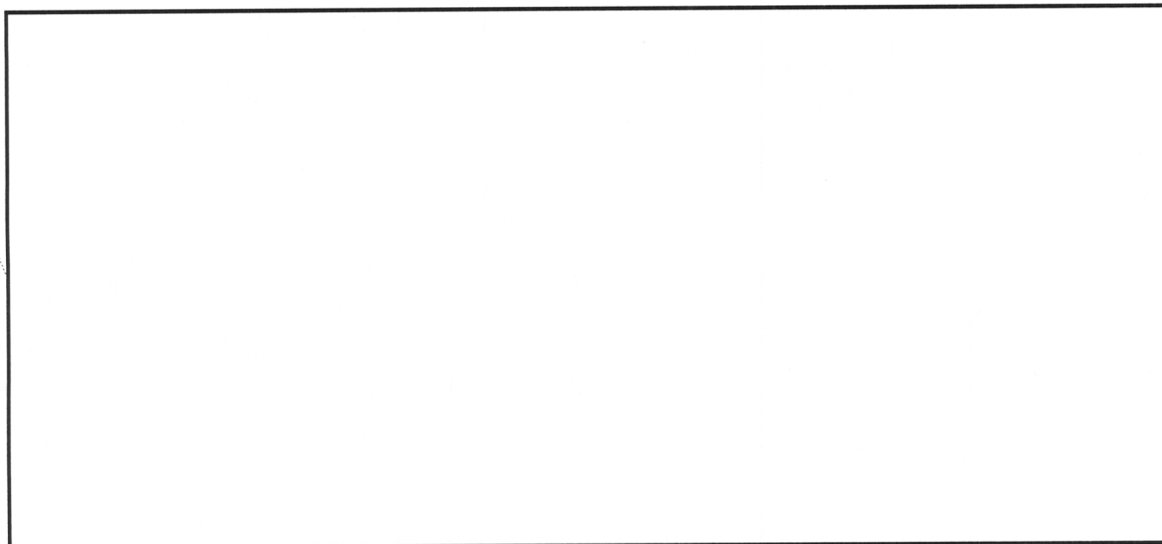
~~(TSC-NF)~~ An even more ominous development now arose. According to Eisenhower biographer Stephen Ambrose, American Sigint collectors began to pick up unusually heavy radio traffic between Britain and France. U.S. codebreaking efforts against the intercept reportedly were unsuccessful.⁶³

Contradiction (U)

(U) Despite all the evidence provided by U.S. intelligence that some kind of British-French operation was in the works, U.S. officials avowed ignorance of the plot. Eisenhower, in his memoirs, asserted that as late as 15 October, when Israel began to mobilize its forces, the administration "could not fathom the reason" for the mobilization.⁶⁵ Eisenhower claimed the United States did not fully realize that Israel planned offensive action until the day of the attack. Even then, until Israeli troops actually crossed into the Sinai, the administration expected Israel to attack Jordan and not Egypt. According to Eisenhower, the administration still did not believe Israel's attack was part of an orchestrated plot involving Britain and France. On 30 October, the day after the Israeli invasion of Egypt, Eisenhower met with Secretary Dulles and other advisers. According to Eisenhower, "One thing the conference reflected: our lack of clear understanding as to exactly what was happening in the Suez area due to our break in communications with the French and British. We were in the dark about what they planned to do."⁶⁶

(U) Moreover, Eisenhower biographer Stephen Ambrose asserts that White House Press Secretary James Hagerty told reporters the attack came as a complete surprise.⁶⁷ Worse still, Secretary Dulles, in a 16 December 1956 press conference, stated: "It is quite true that the actual attack occurred without our knowledge and came as a complete surprise to us."⁶⁸ These reports infuriated Central Intelligence Agency (CIA) director Allen Dulles who, a month later, leaked stories to the press that the intelligence community had predicted Suez. Allen Dulles told reporter Anthony Tully, "My brother said the State Department was taken by surprise. That was only technically correct. What he meant was that the British, French, and Israeli governments had not informed our ambassadors. But we had the Suez operation perfectly taped. We reported that there would be a three-nation attack on Suez. And on the day before the invasion, CIA reported it was imminent."⁶⁹

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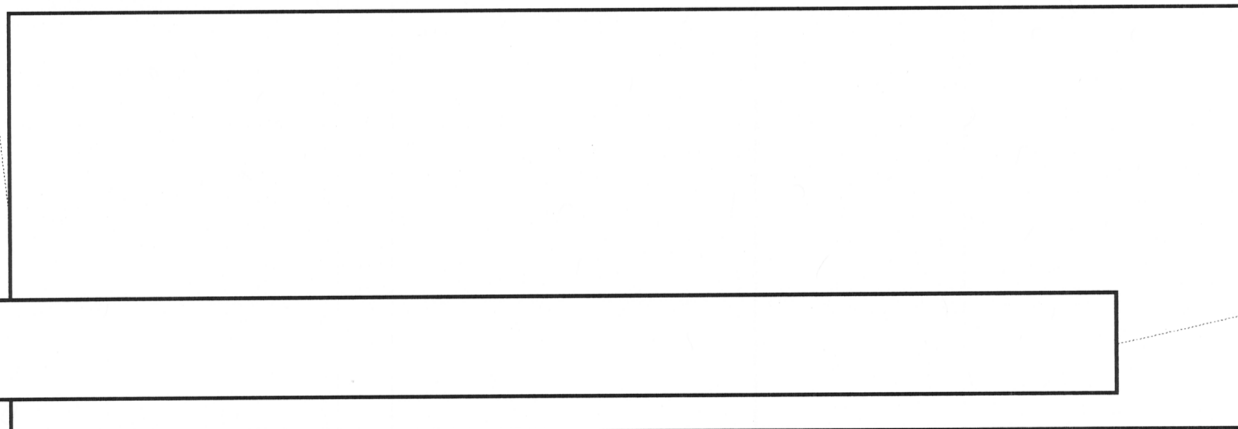


~~(TS-NF)~~ Contrary to published accounts of U.S. ignorance preceding the Suez war, the U.S. intelligence community rapidly pieced together the bits of information it had acquired. On 28 October, the IAC sent the findings of its Watch Committee meeting to the National Security Council.⁷³ The Watch Committee, after an "examination of new evidence of heavy Israeli mobilization," concluded that an Israeli offensive against its Arab neighbors was imminent. The report stated that Israeli mobilization was "on a scale which would permit Israel to occupy Jordan west of the Jordan river, penetrate Syria as far as Damascus . . . penetrate Egypt to the Suez Canal and hold parts of [the] Sinai for [a] considerable time." The Watch Committee concluded that

past Egyptian provocations, the key role of Egypt in the Arab threat, and U.K. involvement with Jordan indicate the attack will be launched against Egypt in the very near future under the pretext of retaliation and exceeding past raids in strength. . . . Possible motivations for such an Israeli mobilization were considered to be . . . to provide a diversionary threat against Egypt in order to afford greater freedom of action for France and the U.K. in the Suez situation and to relieve Egyptian pressures on France in North Africa.⁷⁴

The Watch Committee report proved prophetic. Within days, Israeli forces attacked Egypt, crossed the Sinai, and were virtually poised on the banks of the Suez Canal.

Attack (U)



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(U) On 30 October, Britain and France concurrently issued an ultimatum demanding a cease-fire and the withdrawal of all combatants from the canal zone. The ultimatum was the cornerstone of the tripartite plot. France and Britain warned that, unless both Israel and Egypt agreed to a cease-fire and withdrew ten miles on either side of the canal, an Anglo-French force would intervene to keep the warring parties apart. The conspirators of course were certain Egypt would reject the demand and were equally sure Israel would comply. An Israeli "withdrawal" to within 10 miles of the canal would in fact constitute an advance. If their plan succeeded, Israel would gain the Sinai, the French and British would occupy the canal, and Nasser would be neutralized.

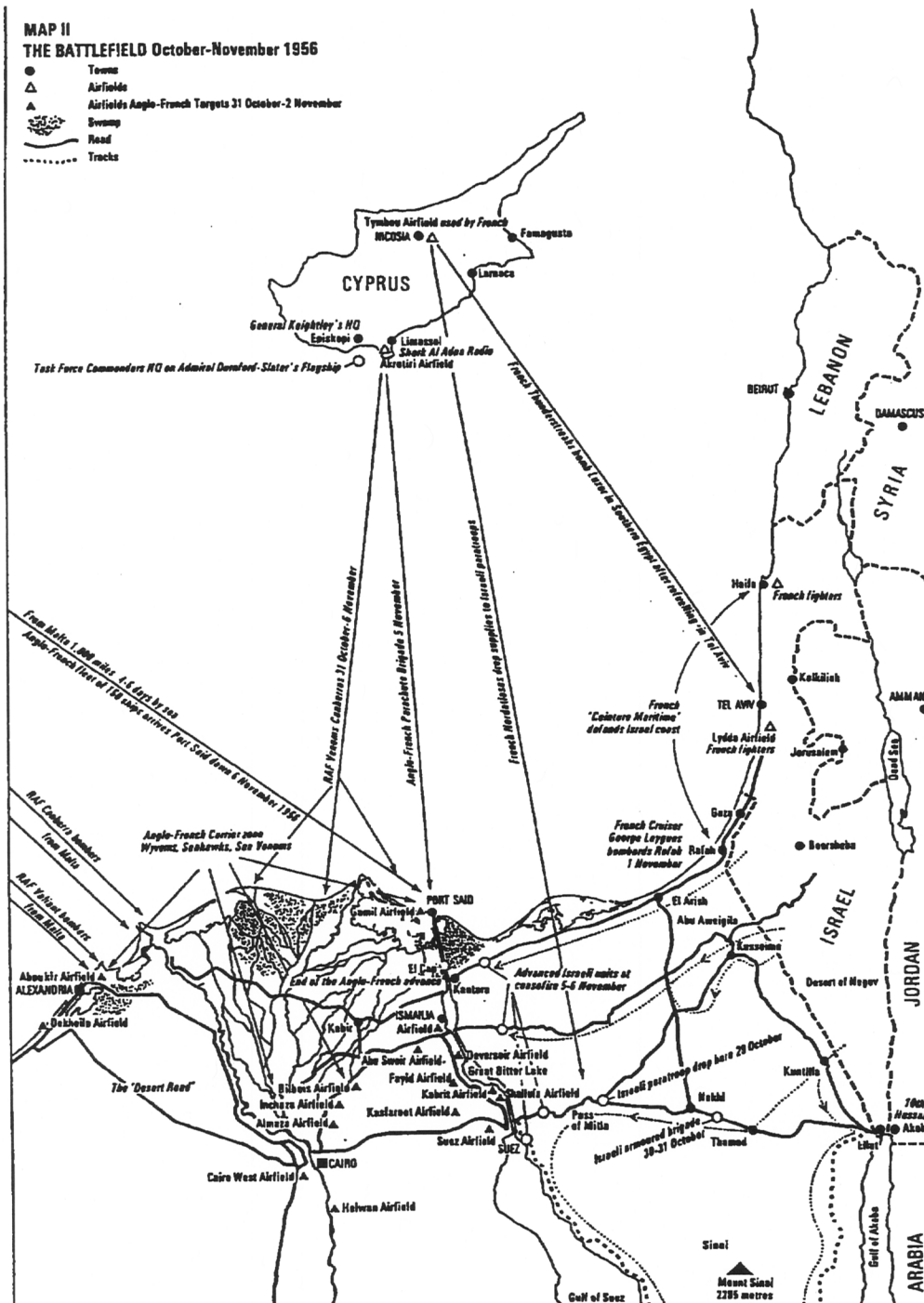
(U) The Eisenhower administration was outraged by the ultimatum. The President sent Eden and Mollet a warning. In his message, Eisenhower told the allies, "I feel I must urgently express to you my deep concern at the prospect of this drastic action. . . . It is my sincere belief that peaceful processes can and should prevail to secure a solution." Eisenhower put Britain and France on notice that the United States could not be counted on to come to their assistance.⁷⁷

(U) At the same time, the U.S. Ambassador to the United Nations, Henry Cabot Lodge, informed the U.N. General Assembly of U.S. plans to introduce a resolution that called for an immediate cease-fire, Israel's withdrawal to its borders, all U.N. members refraining from the use of force, and an embargo against Israel until it withdrew its troops.⁸⁴ British Prime Minister Eden essentially ignored the United States and refused to have anything to do with the U.N. resolution.

MAP II
THE BATTLEFIELD October-November 1956

● Towns
△ Airfields
▲ Airfields Angle-French Targets 31 October-2 November

 Swamp
 Road
 Tracks



The Battlefield October-November 1956

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Port Fuad.⁸⁷ as redacted in previous releases

(U) The Soviet Union delivered a strongly worded protest to the British and French on 5 November. In its complaint, the Soviet Union denounced British and French actions and threatened to intervene on behalf of the Egyptians.⁸⁸ Soviet Premier Nikolai Bulganin's letters to the French, British, and Israeli governments declared that Moscow was "fully resolved to use force to crush the aggressors and to restore peace in the Middle East" and even contained a veiled threat to use nuclear weapons against London and Paris if hostilities continued.⁸⁹

(U) Bulganin's letter to Eisenhower had an entirely different tone. The Soviet Premier suggested that a joint Soviet-American force intervene in the Middle East if Britain, France, and Israel refused to agree to a cease-fire. The United States not only rejected this proposal but threatened nuclear retaliation if London or Paris were attacked.⁹⁰ Despite strong U.S. disagreement with its allies' position, President Eisenhower would not stand by and let his old friends and NATO partners be intimidated.

~~(S-CCO)~~ Moreover, the U.S. administration had reason to believe the Soviets were bluffing.

Early on 6 November, the U.S. presidential election day, Eisenhower ordered U-2 flights over Syria and Israel to ascertain whether there were any Soviet fighters at Syrian bases. By noon, the U-2 flights had confirmed that there were no Soviet fighters in Syria.⁹¹

Not with a Bang, But a Wimper (U)

(U) Just as the British troops at Port Said were preparing to advance southwards into Ismailia and Abu Suweir, the British government, under heavy U.S. and international pressure, agreed to a cease-fire at midnight on 6 November. The French and Israelis reluctantly followed suit. Thus ended the Suez war of 1956.

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Suez: A Sobering Reflection for Politics and Intelligence (U)

~~(C-CCO)~~ The Suez crisis highlighted not only discord between the United States and its allies but also the lack of Arab unity - a recurrent theme in recent Middle East history. The fractious Arab "allies" never managed to agree on any coordinated plan of attack. Instead, they expended most of their time and energy worrying about being sabotaged by one another. [redacted]

[redacted]

(U) Perhaps a more ominous and far-reaching effect of the Suez crisis was the erosion of Western influence in the Middle East and the deepening of Soviet penetration into the region. Before the war there was some hope that Nasser's professed policy of non-alignment might translate into an evenhanded approach toward Western and Soviet-bloc nations. However, the aggression against Egypt by two close U.S. allies ensured that both Egypt and Syria would rely much more heavily on Soviet and Soviet-bloc countries for both economic and military assistance. Egyptian suspicion of the West deepened. The Suez crisis helped set the stage for years of conflict-by-proxy between the United States and the USSR in the Middle East.

[redacted]

Shift in Perspective (U)

[redacted]

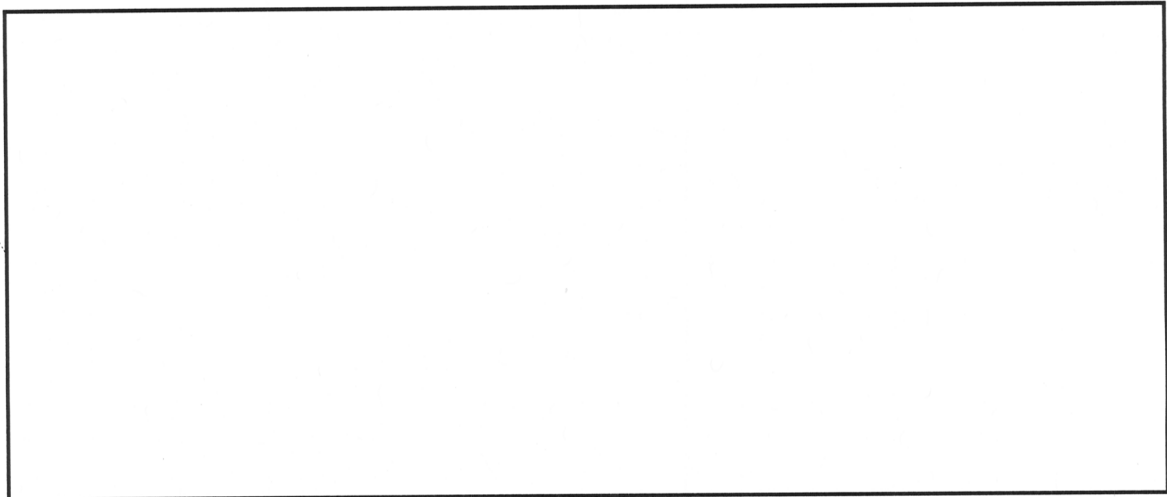
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Major General Ralph J. Canine

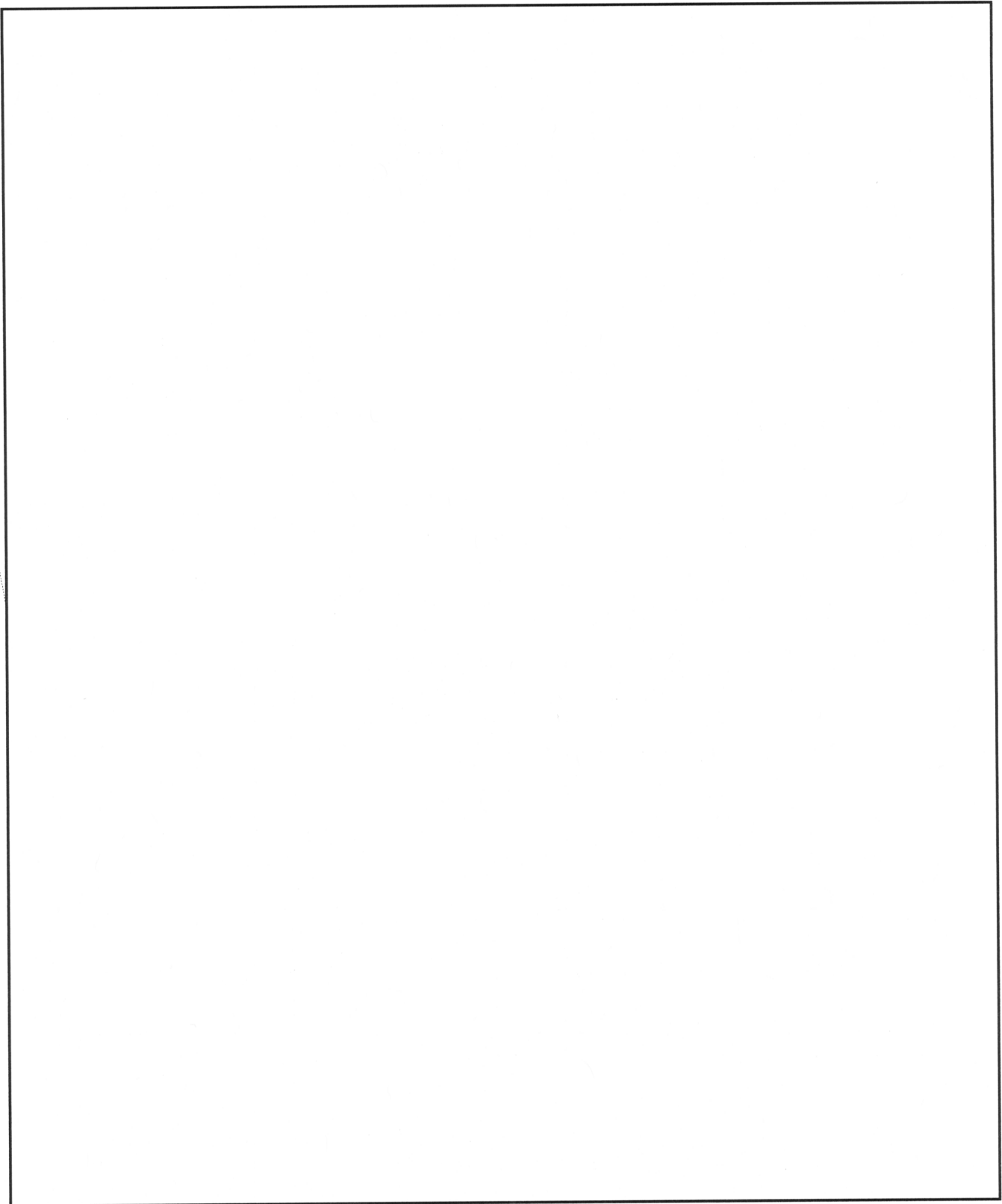
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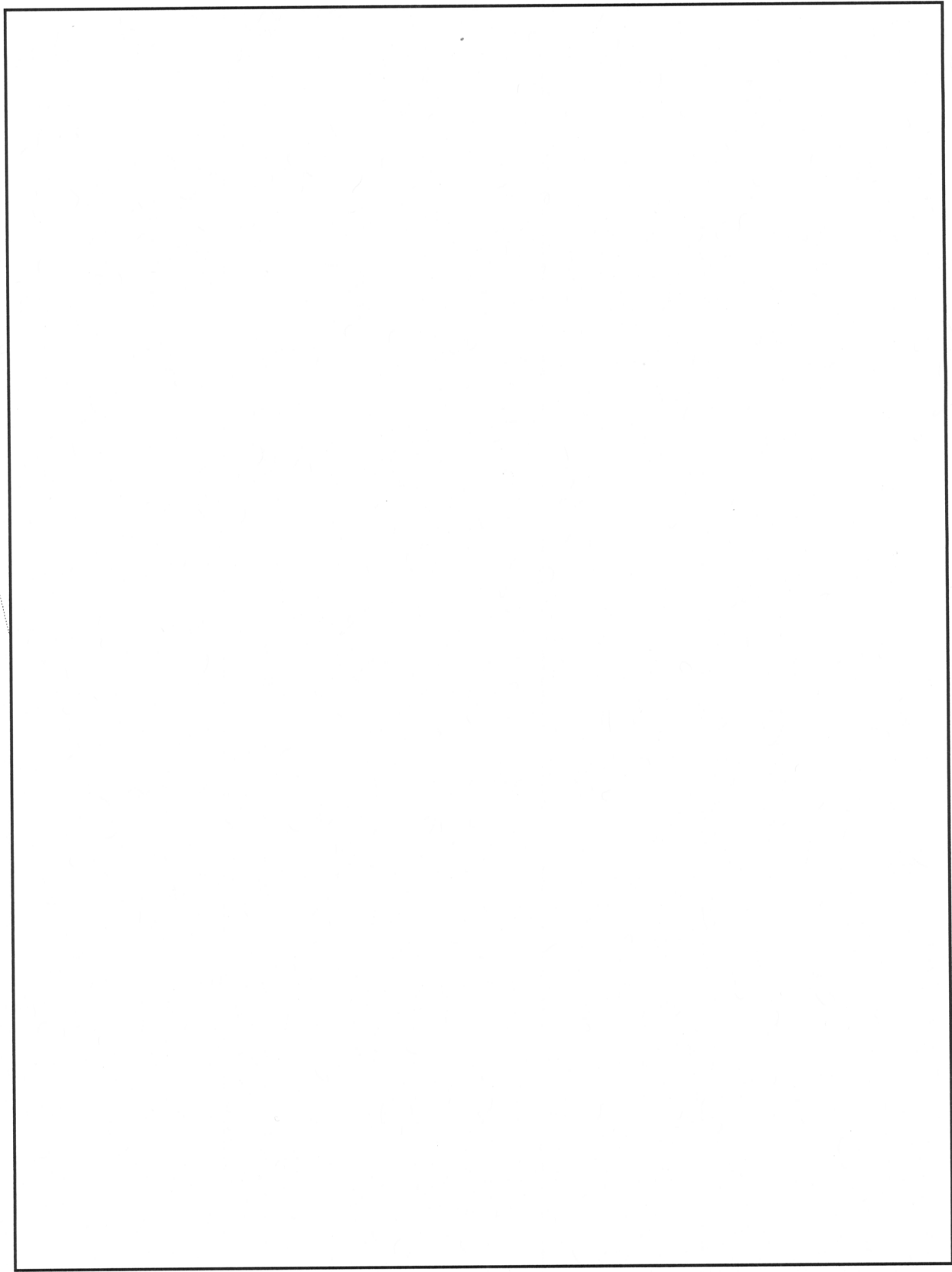
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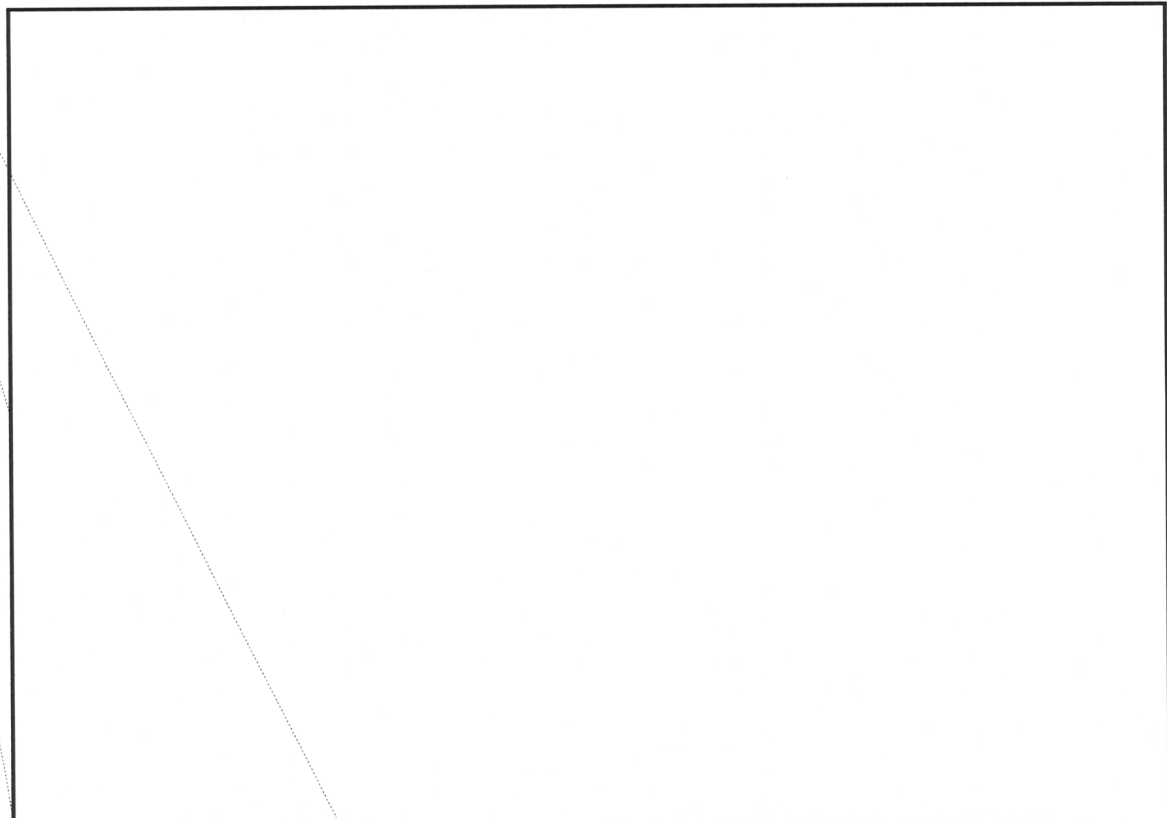
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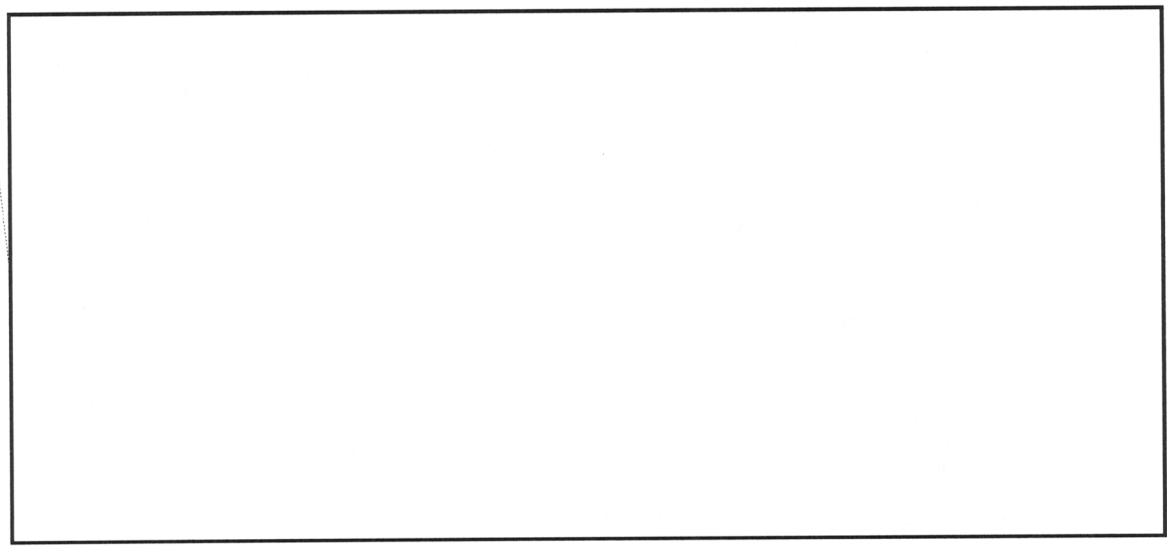
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[redacted] Following the Suez crisis, George Wigg, a Labor Member of Parliament, claimed in a news conference that the United States had broken British, French, and Israeli codes.¹²⁰ [redacted]
[redacted]

NSA's Performance (U)



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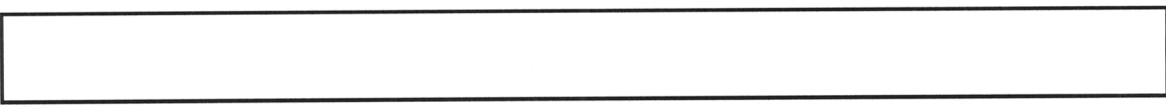
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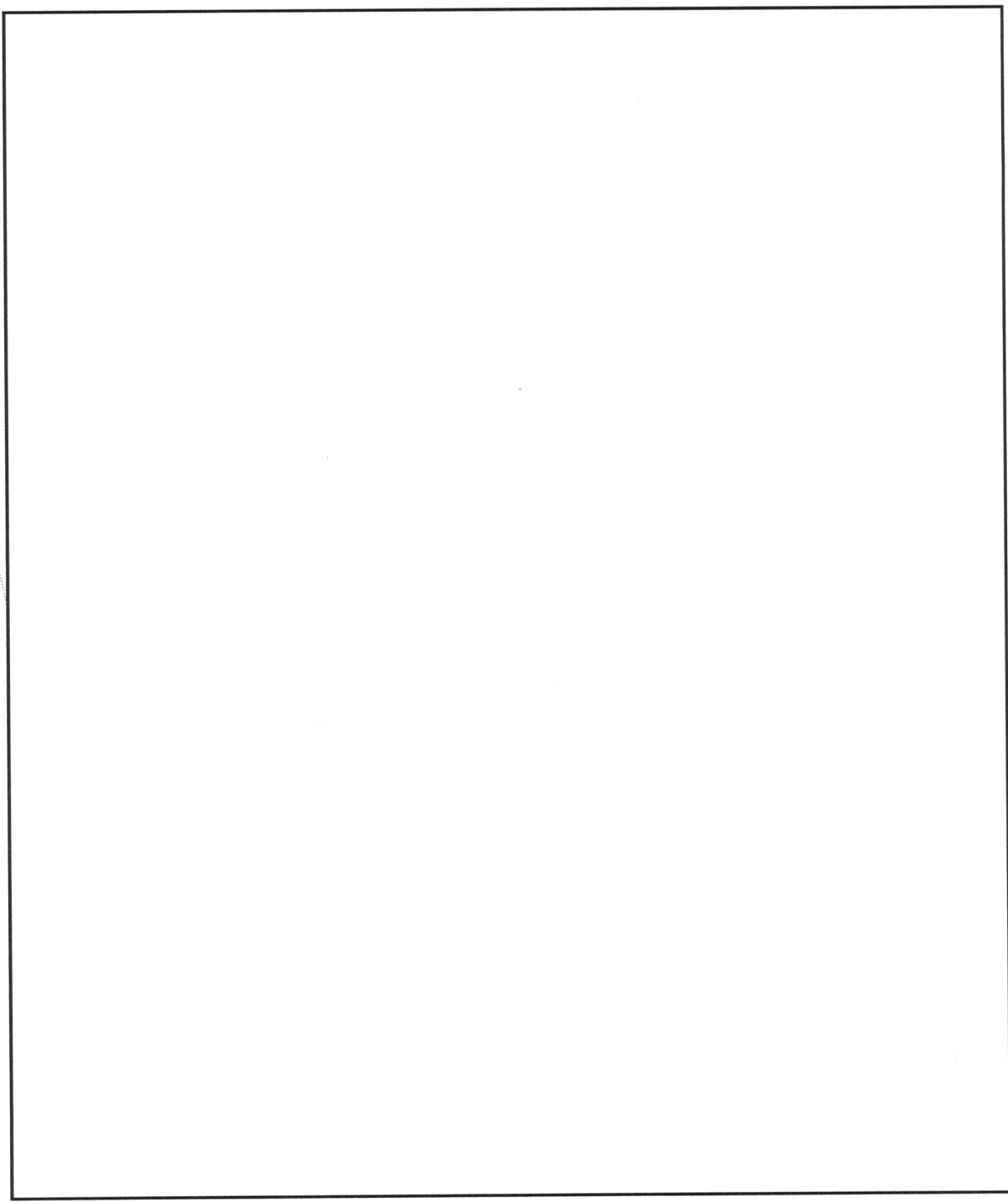
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A Diligent, Delicate Endeavor (U)



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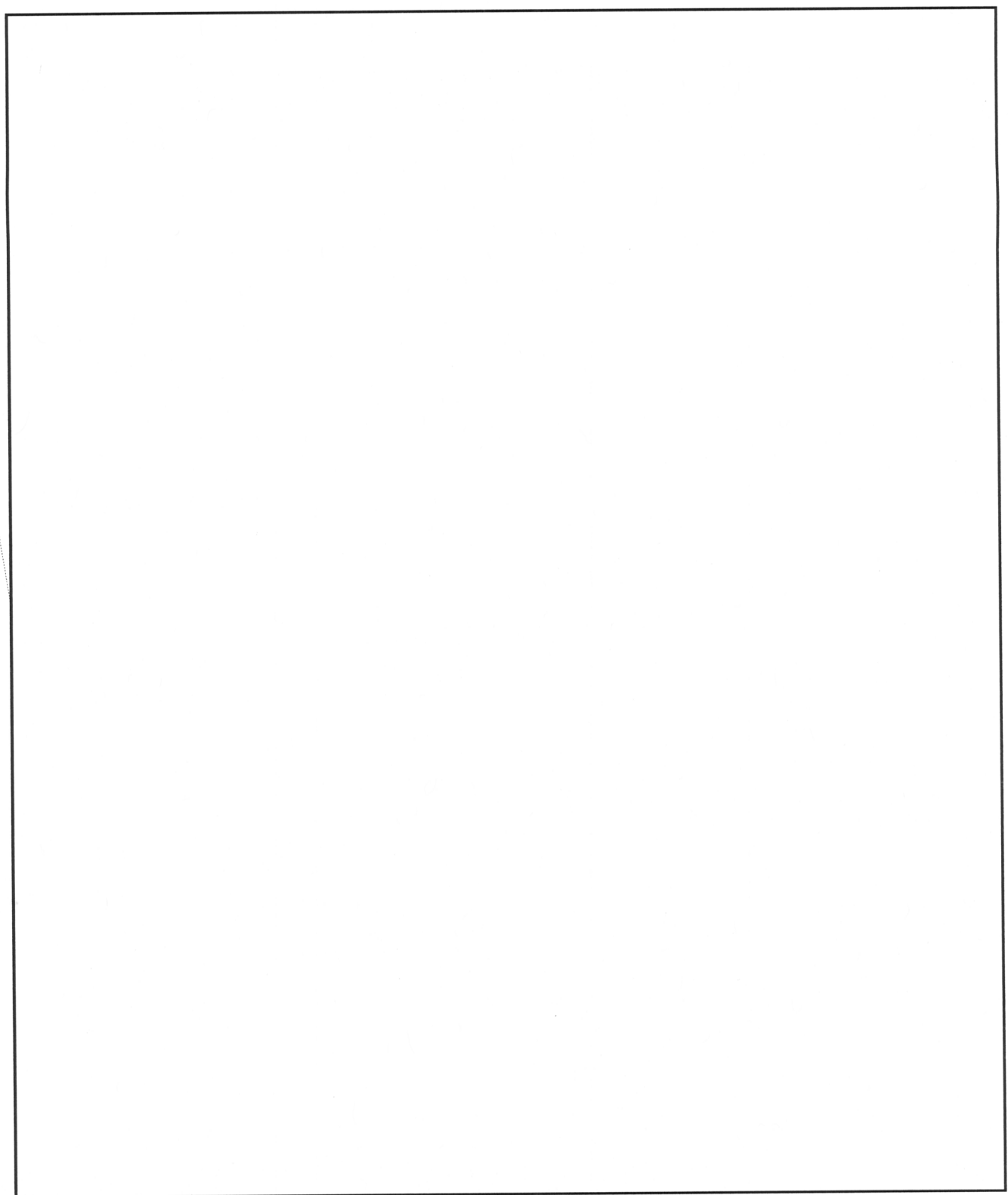
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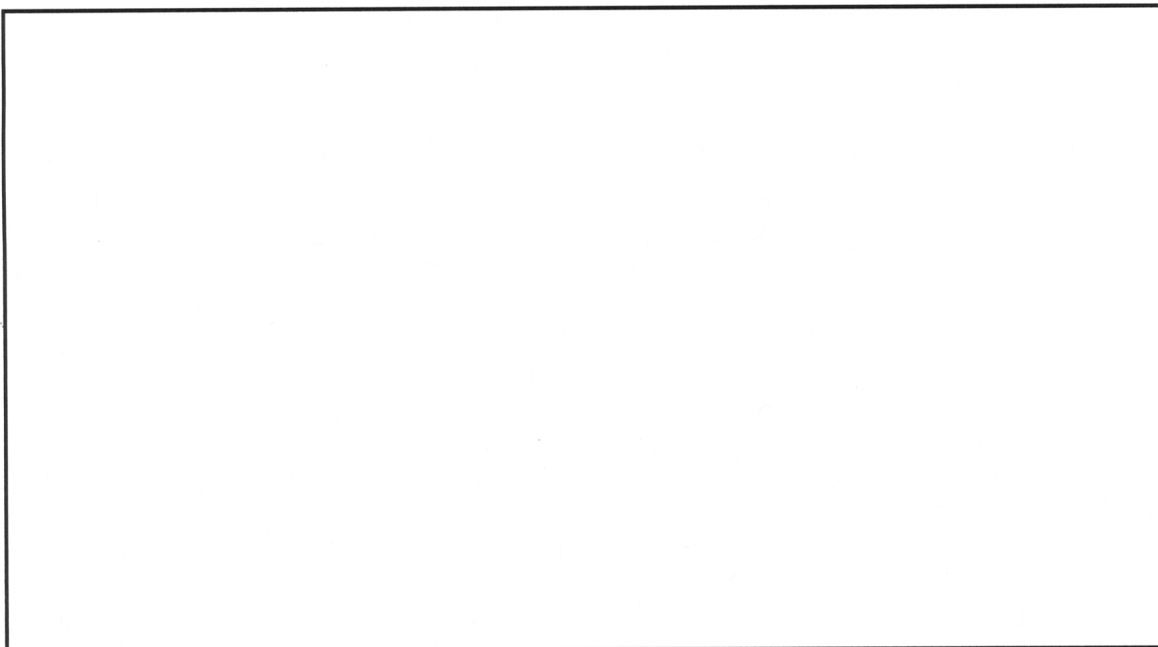
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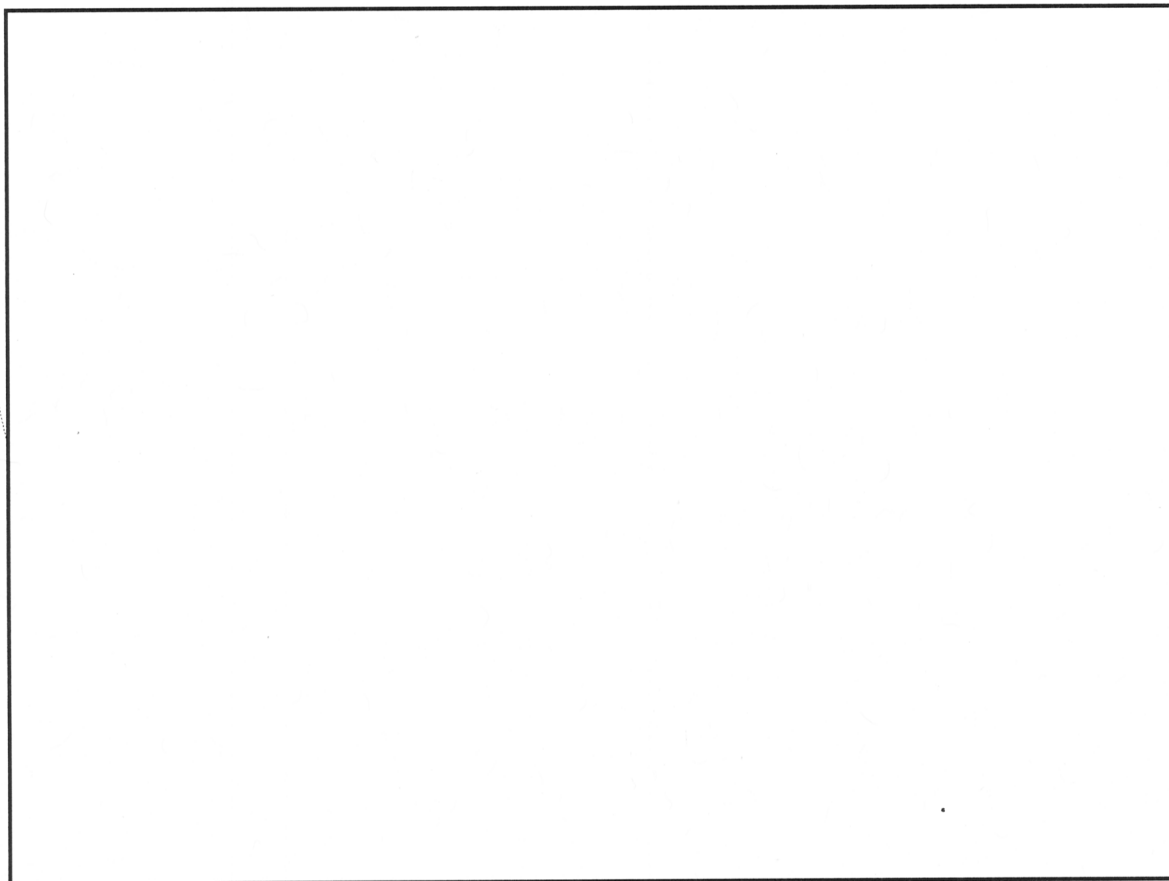


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Lessons Learned, Lessons Ignored (U)



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(U) Perhaps one lesson to be derived from the Suez crisis is that whether by dint of loyalty or the inertia inherent in any established system or bureaucracy, the Anglo-American Sigint alliance was easily strong enough to continue unabated despite a disruption in the political relationship. In spite of British duplicity before and during the Suez crisis, our Sigint interdependence was untouched by the temporary "spat" between allies. The interesting question raised by this phenomenon is, At what point is the Sigint relationship between allies affected by the current political environment? Evidently the Suez crisis was not of sufficient political magnitude to warrant any disruption in the Sigint relationship.

(U) The other important lesson of Suez is a familiar one: intelligence is valuable only to the extent that those in power not only have access to it but use it wisely. Those at the highest levels of the Eisenhower administration *did* receive intelligence data warning them of the Anglo-French-Israeli conspiracy. This information was either ignored, mistrusted, or covered up for the sake of political expediency. Despite public denials and disavowals in the aftermath of Suez, the fact remains that the intelligence data *was* made available to top U.S. policymakers. The intelligence community fulfilled its commitment to provide timely and accurate information. Beyond this, intelligence officials relinquish their authority to political decision-makers. However, as the Suez crisis showed, intelligence is not an end in itself but a tool to be wisely employed, badly mishandled, or simply ignored.

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NOTES

1. (U) "NSA Report to the President's Board of Consultants on Foreign Intelligence Activities," 9 January 1957, Crises Files, Box Number 6, Historical Collection, NSA; pp. 11, 16; hereafter referred to as "NSA Report" (TSC).
2. (U) Stephen E. Ambrose, *Eisenhower the President*, Volume II (New York: Simon & Schuster, 1984), p. 368.
3. (U) Although this made the British government the largest single shareholder in the Suez Canal Company (with 44 percent of the shares), private French citizens held more than 50 percent of the shares. Chester L. Cooper, *The Lion's Last Roar: Suez, 1956* (New York: Harper & Row, 1965), pp. 13-14.
4. (U) Terence Robertson, *Crisis: The Inside Story* (New York: Atheneum, 1964), pp. xiii-xiv.
5. (U) Cooper, *The Lion's Last Roar*, p. 33.
6. (U) Kenneth Love, *Suez: The Twice Fought War* (New York: McGraw-Hill, 1969), p. 160.
7. (U) Dwight D. Eisenhower, *Waging Peace: 1956-1961* (Garden City, New York: Doubleday & Co., Inc., 1965), p. 24.

17. (U) The correct appellation is "High Dam"; British engineers built the Aswan Dam between 1898 and 1902 about four miles north of the present High Dam. Love, *Twice-Fought*, p. 299.
18. (U) Eisenhower, *Waging Peace*, p. 31.

20. (U) Herman Finer, *Dulles Over Suez* (Chicago: Quadrangle Books, 1964), pp. 47-48. This account agrees substantially with other published accounts of the meeting.

29. (U) Robertson, *Crisis*, pp. xiii-xiv.

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30. (U) Oleg M. Smolansky, *The Soviet Union and the Arab East Under Khrushchev* (Lewisburg: Bucknell University Press, 1974), pp. 45-46.

32. (U) Love, *Twice-Fought*, p. 163.

33. (U) Donald Neff, *Warriors at Suez* (New York: Linden Press, 1981), p. 103.

34. (U) "Fedayeen," which in Arabic means "they who sacrifice themselves," is the term generally applied to Palestinians engaged in attacks against Israel in an effort to regain the homeland they lost during the Israeli war of independence. To the Israelis, "Fedayeen" is a synonym for "terrorists"; to the Palestinians and their supporters, "Fedayeen" is an honorific term meaning "freedom fighters."

35. (U) Eisenhower, *Waging Peace*, p. 40.

36. (U) Eisenhower, *Waging Peace*, p. 40.

37. (U) Eisenhower, *Waging Peace*, Appendix B, p. 664.

40. (U) Eisenhower, *Waging Peace*, p. 48.

44. (U) Eisenhower, *Waging Peace*, p. 52.

48. (U) "NSA Report," p. 13.

49. (U) Love, *Twice-Fought*, p. 392.

50. (U) Love, *Twice-Fought*, p. 433.

51. (U) Finer, *Dulles Over Suez*, p. 328.

52. (U) Chaim Herzog, *The Arab-Israeli Wars* (New York: Random House, 1982), pp. 113, 114, 117.

53. (U) This so-called "Pact of Amman" was an extension of the Egyptian-Jordanian agreement of the previous year. It publicly called for increased military cooperation and, in the event of a war with Israel, the placement of Jordanian and Syrian forces under an Egyptian commander. Eisenhower, *Waging Peace*, p. 66.

54. (U) Herzog, *Arab-Israeli Wars*, pp. 113-14.

55. (U) Finer, *Dulles Over Suez*, pp. 330-31.

56. (U) Herzog, *Arab-Israeli Wars*, p. 114.

57. (U) Ambrose, *Eisenhower*, pp. 351-52.

58. (U) Eisenhower, *Waging Peace*, p. 56.

61. (U) Ambrose, *Eisenhower*, p. 353.

62. (U) Finer, *Dulles Over Suez*, p. 335.

63. (U) Ambrose, *Eisenhower*, p. 353.

65. (U) Eisenhower, *Waging Peace*, p. 56.

66. (U) Eisenhower, *Waging Peace*, p. 75.

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67. (U) Stephen E. Ambrose, *Ike's Spies: Eisenhower and the Espionage Establishment* (Garden City: Doubleday & Co., Inc., 1981), p. 256.

68. (U) *New York Times*, 19 December 1956, page 14, column 2. Emphasis added.

69. (U) Ambrose, *Ike's Spies*, p. 256.

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77. (U) Eisenhower, *Waging Peace*, pp. 77-78.

[Redacted]

84. (U) Ambrose, *Eisenhower*, p. 361.

[Redacted]

88. (U) Smolansky, *Khrushchev*, pp. 45-46.

89. (U) Text of Bulganin's letter was printed in *Pravda*, 6 November 1956.

90. (U) Smolansky, *Khrushchev*, p. 46.

91. (U) Ambrose, *Eisenhower*, p. 368.

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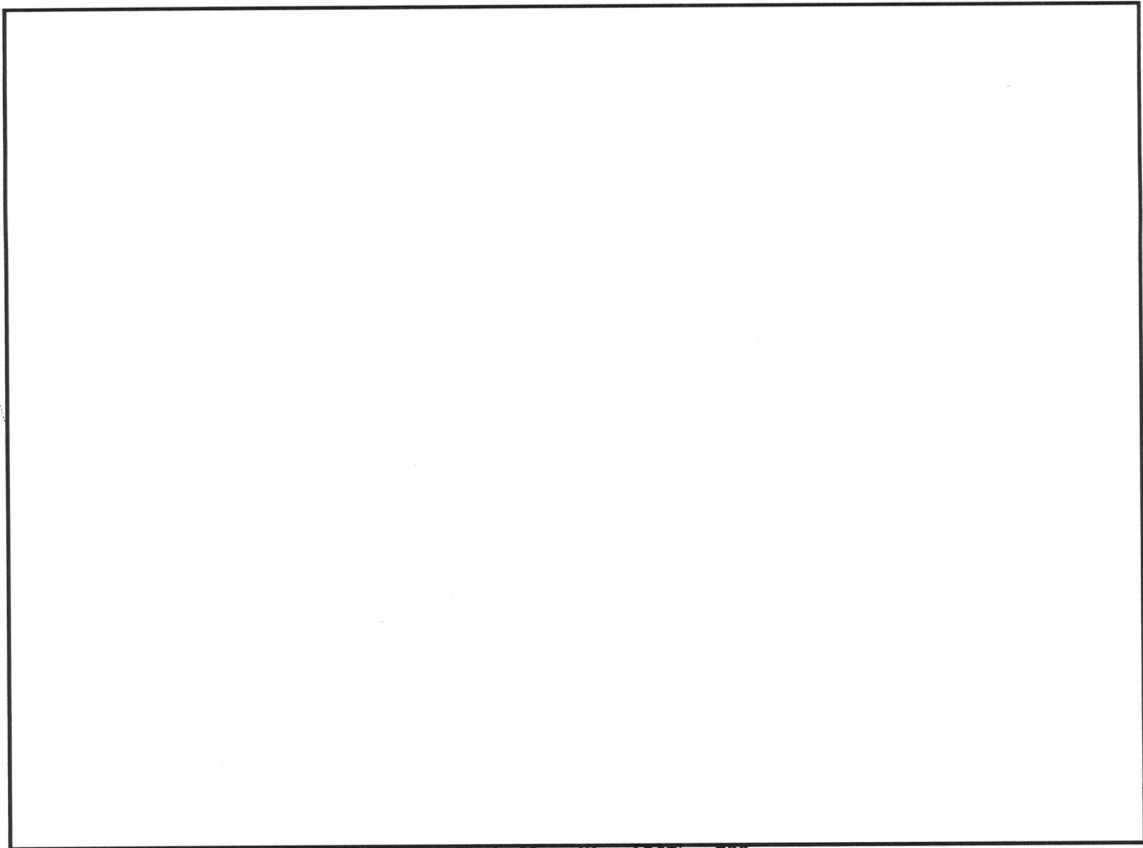
98. (TSC) Formed on 13 June 1946, USCIB originally consisted of representatives of the Armed Services, the State Department, the CIA, and the FBI. National Security Council Intelligence Directive (NSCID) Number 9, issued on 1 July 1948, became USCIB's charter. It designated the Board as the Council's agent to coordinate and provide policy guidance for U.S. Comint activities. When NSCID 9 was revised in 1952, USCIB's membership was expanded to include the Director of the newly established NSA, the DCI (as Chairman), the FBI, the Army, Navy, and Air Force, the CIA, and the Departments of State and Defense. In 1955 USCIB also became the national policy body for Electronic Intelligence (Elint). George F. Howe, *The Narrative History of AFSA/NSA*, Part 1, pp. 24-29; Part II, pp. 239, 240, 253, 254, NSA Historical Collection, V.A.1 (TSC-NF).

[Redacted]

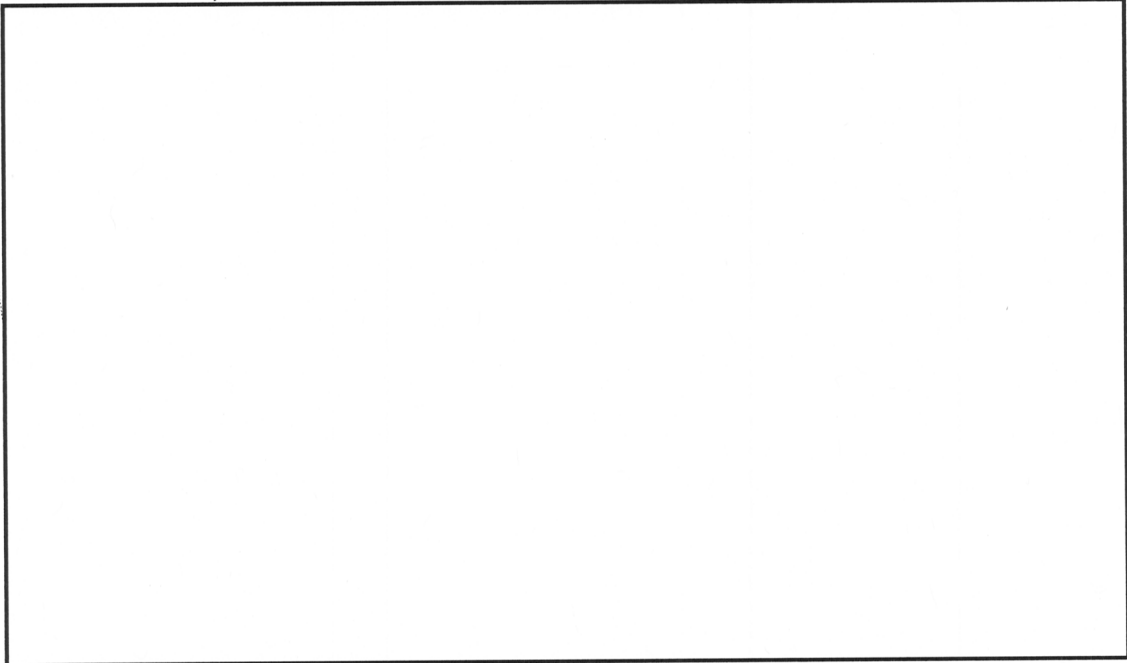
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120. (U) David Kahn, *The Codebreakers* (New York: Macmillan, 1967), p. 729.



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